

OFFICE OF THE CITY MANAGER . NO. LTC # 104-2013

LETTER TO COMMISSION

TO:

Mayor Matti Herrera Bower and Members of the City Commission

FROM:

Kathie G. Brooks, Interim City Manager

DATE:

March 29, 2013

SUBJECT: Legislative Update

The purpose of this LTC is to provide the Mayor and City Commission with the attached update on week four of the Florida Legislative Session.

The Administration will continue working with the City's representatives in support of the legislative agenda, and will provide weekly updates via LTC during the Session. In the meantime, if you have any questions please do not hesitate to contact me.

Attachments:

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MEMORANDUM

To:

Kevin Crowder

Via electronic mail

From:

Gary Rutledge

Diana Ferguson Jon Costello

Copy:

Fausto Gomez

Bob Levy Manny Reyes Evan Power Jose Diaz Erica Chanti

Date:

March 28, 2013

RE:

2013 Legislative Report, Week 4

Budget

SHIP

The Senate's initial proposal for the State Housing Initiatives Partnership (SHIP) is \$70 million from the Attorney General's mortgage litigation settlement. The House's initial proposal is to zero fund SHIP. Representative Fasano is expected to file an amendment that would take \$40 million from the Florida Housing Finance Corporation (FHFC) down payment assistance program and move it to SHIP.

Water Projects

The Senate Appropriations Subcommittee on General Government released its water project list this week, which totaled approximately \$48 million. The Miami Beach water project was not on the list. We met with the Chair who indicated that he wanted to provide funds for struggling communities. The House will hear presentations on water projects on Monday and has \$24 million allocated.

Critical Legislative Priorities

Business Tax Receipts

HB 7109 has received references and will be heard next in the Local and Federal Affairs Committee if it receives another hearing. Because counties are currently limited to levying this tax in the unincorporated area, the Florida Association of Counties and individual counties stand in opposition. The Senate does not have immediate plans to address the local business tax. We will continue to seek guidance from the City as this proposal develops further.

Legislative Priorities

Pension Reform

SB 534 by Senator Brandes and HB 599 by Representative Caldwell provide that the state is not liable for shortfalls in local government retirement pensions and plans. They require defined benefit systems or plans to report certain information to the Department of Management Services and specifies the assumptions and methods that are to be used to determine the information submitted. The bill is designed to eliminate discrepancies between the assumed rates of return for earnings and the actual return on investments, and to mandate conservative projections on future liabilities. SB 534 was placed on the agenda for the Senate Appropriations Committee this week but the bill was not heard. HB 599 has passed its first committee and has two committees remaining.

SB 458 by Senator Ring and HB 1399 by Representative Rooney generally require plan sponsors to fund the plans at least at the level of benefits in existence on March 1, 1999. Plans less than 80% funded must use 50% of their post-2012 increase in premium tax revenues, and accumulated premium tax revenues, towards the actuarial deficiency; 25% must be used to fund defined contribution benefits; and 25% must be used to fund base benefits. Plans funded at greater than 80% must use 50% of the post-2012 increase in premium tax revenues for defined contribution benefits, and 50% to fund base benefits. Plan benefits may be reduced to base benefit levels; 25% of the plan sponsor's mandatory contribution freed up by reducing benefits

must be used to fund actuarial deficiencies. SB 458 was placed on the agenda for the Senate Appropriations Committee but the bill was not heard.

Windstorm Insurance

HB 433 by Representative Richardson creates an Inspector General for Citizens Property Insurance Corporation. This bill passed its first committee this week and has two committees remaining. The companion, SB 386 by Senator Abruzzo, has two committees but has not yet been heard.

HB 1107 by Representative Hager relating to the Florida Hurricane Catastrophe Fund (CAT Fund) passed the House Banking and Insurance Subcommittee this week. The bill reduces the CAT Fund from \$17 billion to \$14 billion over three years. The bill would also change the fund's name to the State Board of Administration Finance Corporation. The companion, SB 1262 by Senator Hays, has been temporarily postponed twice in the Senate Banking and Insurance Committee.

Synthetic Drugs

SB 294 by Senator Bradley and HB 619 by Representative Ingram would codify the Schedule I scheduling of the substances listed in the Attorney General's emergency rule. Persons who engage in certain unlawful acts involving these substances would be subject to arrest and prosecution. SB 294 received its second reading on the Senate floor this week and now awaits a final vote of the full Senate. HB 619 is on the House calendar on second reading.

2013 Session Dates

April 3-4, 2013 Miami-Dade County Days

May 3, 2013 60th day – last day of Regular Session